

# Customs Bulletin

Regulations, Rulings, Decisions, and Notices  
concerning Customs and related matters



## and Decisions

of the United States Court of Appeals for  
the Federal Circuit and the United  
States Court of International Trade

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THE DEPARTMENT OF THE TREASURY  
U.S. Customs Service

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# U.S. Customs Service

## *Treasury Decision*

(T.D. 87-98)

### REIMBURSABLE SERVICE EXCESS COST OF PRECLEARANCE OPERATION

DEPARTMENT OF THE TREASURY,  
OFFICE OF THE COMMISSIONER OF CUSTOMS,  
*Washington, D.C., August 7, 1987.*

Notice is hereby given that pursuant to Section 24.18(d), Customs Regulations (19 CFR 24.18(d)), the biweekly reimbursable excess costs for each preclearance installation are determined to be as set forth below and will be effective with the pay period beginning August 30, 1987.

| Installation                   | Biweekly excess cost |
|--------------------------------|----------------------|
| Montreal, Canada .....         | \$20,531             |
| Toronto, Canada .....          | 33,223               |
| Kindley Field, Bermuda .....   | 13,541               |
| Nassau, Bahama Islands .....   | 23,428               |
| Vancouver, Canada .....        | 14,671               |
| Winnipeg, Canada .....         | 3,096                |
| Freeport, Bahama Islands ..... | 14,737               |
| Calgary, Canada .....          | 8,779                |
| Edmonton, Canada .....         | 5,465                |

WILLIAM F. RILEY,  
*Acting Comptroller.*

[Published in the Federal Register, August 31, 1987 (52 FR 32866)]



# U.S. Customs Service

## General Notice

19 CFR Chapter I

### HARMONIZED SYSTEM OF TARIFF CLASSIFICATION RULINGS

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of issuance of tariff classification rulings.

SUMMARY: Classification of imported merchandise for rate of duty and statistical purposes is determined presently in the U.S. by reference to the Tariff Schedules of the United States (TSUS). The U.S. intends to replace the TSUS on January 1, 1988, by acceding to the International Convention on the Harmonized Commodity Description and Coding System (HS). The HS is a multipurpose nomenclature, intended to be used to describe and classify goods in international trade for customs purposes, for reporting all import and export trade statistics, and eventually for freight and transport documentation. To provide the public as much notice as possible of the intended change to the U.S. version of the HS and to provide samples of the nomenclature and numerical coding employed under the HS, for several months Customs has been providing advisory classifications under the HS in certain of the ruling letters it has issued setting forth binding tariff classifications under the TSUS. Customs now intends to include binding classifications under both the TSUS and the HS in tariff classification rulings issued to the public.

DATE: August 25, 1987.

FOR FURTHER INFORMATION CONTACT: John Durant, Acting Director, Classification and Value Division (202-566-5868).

#### SUPPLEMENTARY INFORMATION:

##### BACKGROUND

The Harmonized System (HS) is the culmination of a 10 year effort by the member states of the Customs Cooperation Council (CCC), particularly the U.S. and its major trading partners, to develop a single modern structure for product classification which can be used for customs, tariff, trade statistics, and transport documentation purposes. Based on the present Customs Cooperation Council

Nomenclature (CCCN), the HS is a more detailed classification scheme reflecting changes in technology, trade patterns and user requirements.

In August 1981, the President requested the U.S. International Trade Commission to initiate an investigation for the purpose of preparing a conversion of the Tariff Schedules of the U.S. (TSUS; 19 U.S.C. 1202), the current reference source for determining the classification of imported merchandise, into the structure of the HS. The U.S. conversion provides numerical coding beyond the 6-digit categories of the international system, taking into account U.S. tariff and statistical requirements. Thus, each tariff provision is coded in 8-digits and the tariff reporting number in 10-digits.

This conversion, submitted to the President on June 30, 1983, was reviewed and revised by the Trade Policy Staff Committee, Office of U.S. Trade Representative, and republished as TPSC 84-76 on September 30, 1984. A more comprehensive revision was made in October 1986, and this is the basic working document aimed at U.S. adoption of the HS. In July 1987, the office of the U.S. Trade Representative issued a "Proposed United States Tariff Schedule Annotated In The Harmonized System Nomenclature".

The HS Convention was opened for signature on July 1, 1983, and thus far has been signed by 50 countries and customs unions, including nine who have signed without reservation of ratification or have withdrawn their reservation. The U.S. is expected to sign, subject to ratification by the Congress, in the Fall of 1987.

In February 1986, the meeting of the General Agreement on Tariffs and Trade (GATT) Tariff Concessions Committee in Geneva resulted in the firm political commitments of the U.S., Canada, Japan, the European Community, the Nordic countries and Switzerland, to a January 1, 1988, date for the entry into force of the International Convention on the HS.

#### PURPOSE OF HARMONIZED SYSTEM

The HS is a multipurpose nomenclature, intended to be used to describe and classify goods in international trade for customs purposes, for reporting all import and export trade statistics, and eventually for freight and transport documentation. Its use is expected to increase uniformity and predictability of trade data, and promote standardization of trade and transport documentation. Implementation of the HS will have an impact not only upon all areas of trade, i.e., imports, exports, transportation of goods, and trade statistics, but upon all aspects of customs operations, including classification and appraisement of merchandise, selection for and examination of merchandise data entry into the Automated Commercial System (ACS), and the pre-release and release of goods. Brokers and importers will experience significant changes to their entry procedures.

## TARIFF CLASSIFICATION RULINGS

In order to provide the public as much notice as possible of the change to the HS and to provide examples of the nomenclature and numerical coding employed under the HS, for several months the U.S. Customs Service (Customs) has been providing advisory classifications under the proposed U.S. version HS in certain of the ruling letters it has issued setting forth binding tariff classifications under the TSUS. The HS classifications provided in these letters have been accompanied by a caveat stressing that they constitute information of an advisory, nonbinding character and are not challengeable at the present time.

Beginning immediately, the tariff classification rulings issued to the public by Customs upon request under the provisions of Part 177, Customs Regulations (19 CFR Part 177), will contain binding classifications under both the current TSUS and the HS. Rulings setting forth the applicable provisions under both tariff codes will continue to be issued until the HS becomes effective, when rulings under the TSUS will be discontinued.

Rulings issued under the HS can be applied only with respect to merchandise entered, or withdrawn from warehouse, on or after the effective date of the HS, which will be formally announced in a later notice. Until that time, all entries or withdrawals of merchandise will be governed by the TSUS.

Customs will continue to make printed packages of these rulings available to the public as announced in the notice published in the Federal Register on August 4, 1987 (52 FR 28928).

Dated: August 19, 1987.

R. ROSETTE,  
*Acting Assistant Commissioner,*  
*Office of Commercial Operations.*

[Published in the Federal Register, August 25, 1987 (52 FR 32092)]



# U.S. Customs Service

## *Proposed Rulemaking*

19 CFR Part 101

### PROPOSED CUSTOMS REGULATIONS AMENDMENT RELATING TO THE CUSTOMS FIELD ORGANIZATION—PORT MANATEE, FLORIDA

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: This document proposes to amend the Customs Regulations by establishing a new Customs port of entry to be known as Port Manatee in the Tampa, Florida, Customs District of the Southeast Region. The change is being proposed as part of Customs continuing program to obtain more efficient use of its personnel, facilities, and resources, and to provide better service to carriers, importers, and the public.

DATE: Comments must be received on or before October 26, 1987.

ADDRESS: Comments (preferably in triplicate) should be submitted to and may be inspected at the Regulations Control Branch, U.S. Customs Service, 1301 Constitution Avenue, NW., Room 2324, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT: Bernie Harris, Office of Inspection and Control (202-566-9425).

#### SUPPLEMENTARY INFORMATION:

##### BACKGROUND

The Customs Service field organization currently consists of seven geographical regions further divided into districts with ports within each district. Customs ports of entry are locations (seaports, airports, or land border ports) where Customs officers or employees are assigned to accept entries of merchandise, collect duties, clear passengers, vehicles, vessels, and aircraft, examine baggage, and enforce the Customs, and related laws.

The Manatee County Port Authority filed an application with Customs requesting the establishment of a new Customs port of entry at Port Manatee, Florida. A review of that application has con-

firmed that the proposed port meets the minimum Customs criteria for establishing ports of entry. The applicable standards, published as T.D. 82-37 in the Federal Register on March 9, 1982 (47 FR 10137), list 350 cargo vessel arrivals, or 2,500 formal entries per year, as the minimum potential Customs workload for establishing a port. Of the 1,485 vessels utilizing Port Manatee in 1986, the Tampa District reports that well over the 350 minimum were international cargo vessels.

By T.D. 86-14, published in the Federal Register on February 5, 1986 (51 FR 4559), the criteria used in evaluating applications to establish ports of entry were notified. The criteria, as further modified by T.D. 87-65, published in the Federal Register on May 4, 1987 (52 FR 16328), now require a commitment, by any applicant seeking port status by satisfying the cargo workload standard, to make optimal use of electronic data transfer capability to permit integration with Customs Automated Commercial System (ACS). The Manatee County Port Authority has made this commitment.

The geographical limits of the proposed port of entry of Port Manatee would be that portion of Manatee County bounded on the north by the Manatee-Hillsborough County line, on the east by U.S. Interstate Highway I-75, on the south by State Highway 64, but excluding the western off-shore island communities of Anna Maria, Bradenton Beach, Holmes Beach, and Longboat Key.

The Secretary of the Treasury is advised by the Commissioner of Customs in matters affecting the establishment, abolishment, or other change in ports of entry. Custom ports of entry are established under the authority vested in the President by section 1 of the Act of August 1, 1914, 38 Stat. 623, as amended (19 U.S.C. 2), and delegated to the Secretary of the Treasury by Executive Order No. 10289, September 17, 1951 (3 CFR 1949-1953 Comp., Ch. II), and pursuant to authority provided by Treasury Department Order No. 101-5, dated February 17, 1987 (52 FR 6282).

#### COMMENTS

Before adopting this proposal, consideration will be given to any written comments timely submitted to the Commissioner of Customs. Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552), § 1.4, Treasury Department Regulations (31 CFR 1.4) and § 103.11(b) Customs Regulations (19 CFR 103.11(b)), on regular business days between the hours of 9:00 a.m. to 4:30 p.m. at the Regulations Control Branch, Room 2324, Headquarters, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229.

#### EXECUTIVE ORDER 12291 AND REGULATORY FLEXIBILITY ACT

Because this document relates to agency organization it is not subject to E.O. 12291. Accordingly, a regulatory impact analysis and the review prescribed by that E.O. are not required. For the same

reason, this document is not subject to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

Customs routinely establishes and expands Customs ports of entry throughout the U.S. to accommodate the volume of Customs-related activity in various parts of the country. Although the proposal may have a limited effect upon some small entities in the area affected, it is not expected to be significant because establishing and expanding port limits at Customs ports of entry in other areas has not had a significant economic impact upon a substantial number of small entities to the extent contemplated by the Act. Nor is it expected to impose, or otherwise cause, a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities.

#### DRAFTING INFORMATION

The principal author of this document was John Doyle, Regulations Control Branch, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other offices participated in its development.

#### LISTS OF SUBJECTS IN 19 CFR PART 101

Customs duties and inspection, Exports, Imports, Organization and functions (Government agencies).

#### PROPOSED AMENDMENT

It is proposed to amend § 101.3, Customs Regulations (19 CFR 101.3), as follows:

1. The authority citation for Part 101 would continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 1, 66, 1202 (Gen. Hdnote. 11), 1624; Reorganization Plan 1 of 1965; 3 CFR 1965 Supp.

2. It is proposed to amend § 101.3(b) by inserting "Port Manatee, Fla. including the territory described in T.D. 87-", in appropriate alphabetical order in the column headed, "Ports of entry" in the Tampa, Florida, District of the Southeast Region.

R. ROSETTE,

*Acting Commissioner of Customs.*

Approved: August 5, 1987.

FRANCIS A. KEATING II,

*Assistant Secretary of the Treasury.*

[Published in the Federal Register, August 25, 1987 (52 FR 32025)]







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Recently published bound volumes are noted below:

Customs Bulletin, Vol. 20, January-December 1986; Supt. Docs. Stock No. 048-000-00393-1; Cost: \$28 domestic; \$35 foreign.

U.S. Court of International Trade Reports, Vol. 9, January-December 1985;  
Supt. Docs. Stock No. 028-003-00057-9; Cost: \$28 domestic; \$35 foreign.



